A **KOHWAI & YOUNG PUBLICATION (M) SDN BHD**

v.

LEMBAGA PENGELOLA DEWAN BAHASA DAN PUSTAKA

B HIGH COURT MALAYA, KUALA LUMPUR
ABANG ISKANDAR J
[CIVIL SUIT NO: D4-22-214-2007]
11 JANUARY 2010

C ***COPYRIGHT:*** *Literary works - Infringement - Whether 'additional damages' payable by infringer for flagrancy of infringement and for benefits gained from infringement - Copyright Act 1987, s. 37(2)*

The plaintiff sued the defendant for infringing its copyright in the drawings of three animals ('the drawings') by copying and reproducing
D them in one of the defendant's books without obtaining the plaintiff's permission to do so. The plaintiff submitted that the drawings were the product of its labour, effort and skill. The defendant denied the plaintiff had any copyright in the drawings as they were not the plaintiff's original idea and that anyone could have easily drawn them. In the
E course of the trial, the defendant admitted it had scanned the drawings from the plaintiff's book to be used as an example but published them in its own book due to an 'oversight'. The plaintiff prayed for RM250,000 in damages for loss of its business image, prestige and goodwill and also asked for 'additional damages' under s. 37(2) of the
F Copyright Act 1987 ('the Act') saying the court had power to make such an award considering the flagrancy of the infringement and the benefit that had accrued to the defendant by reason of the infringement.

Held (allowing claim; ordering defendant to pay RM50,300 in damages with interest and costs to plaintiff):

G **(1)** The plaintiff had succeeded in establishing that the drawings were its original artistic works and that copyright subsisted over them. It was clear from the evidence that the defendant had scanned the drawings and then, by its own admission, published those drawings in its book without obtaining the plaintiff's prior permission. The
H defendant had clearly infringed the plaintiff's copyright in the drawings. (paras 4 & 5)

(2) The plaintiff did not lead evidence to show how the figure of RM250,000 in damages was arrived at. As such, the court awarded
I nominal damages of RM100 per infringement of each of the three drawings. (paras 6 & 7)

(3) Despite the fact the plaintiff gave notice to the defendant of the infringements in February 2004, the infringing drawings were only replaced in the defendant's book with graphic drawings in 2006. Thus, the defence that the infringement was an 'oversight' or was 'unintentional' appeared to be an afterthought. The defendant's conduct could not, in all probability, be equated with innocence. In fact, it was quite the contrary. (paras 10 & 11)

(4) As the defendant's conduct amounted to flagrant infringement and as it had benefited from its infringements of the plaintiff's copyright, the defendant was ordered to pay the plaintiff additional damages of RM50,000 under s. 37(2) of the Act. (para 12)

Case(s) referred to:

Aristocrat Technologies Australia Pty Ltd v. DAP Services (Kempsey) Pty Ltd [2007] FCAFC 40 ***(refd)***

British Northrop Ltd v. Texteam (Blackburn) Ltd [1974] RPC 57 ***(refd)***

Gray v. Motor Accident Commission [1998] 196 CLR 1 ***(refd)***

Ladbroke (Football) Pte Ltd v. William Hill (Football) Pte Ltd HL [1964] 1 WLR 273 ***(refd)***

Lee Ah Chor v. Southern Bank Bhd [1991] 1 CLJ 667; [1991] 1 CLJ (Rep) 239 SC ***(refd)***

Longman Malaysia Sdn Bhd v. Pustaka Delta Pelajaran Sdn Bhd [1986] 1 LNS 84 HC ***(refd)***

Scientific International Pty Ltd v. SC Johnson & Sons Pty Ltd [1998] 43 IPR 275 ***(refd)***

Sullivan v. FNH Investments Pty Ltd [2003] 57 IPR 63 ***(refd)***

The Chartered Bank v. Yong Chan [1974] 1 LNS 178 FC ***(refd)***

University of London Press Ltd v. University Tutorial Press Ltd [1916] 2 Ch 601 ***(refd)***

Legislation referred to:

Copyright Act 1987, ss. 6, 37(2), 42, 115(4)

Copyright Act 1968, [Aus], s. 115(4)

For the plaintiff - S Kulasegaran; M/s S Kula & Co
For the defendant - Jakaria Abdul Jalil; M/s Fauzi Rahmat & Taufek

Reported by Ashok Kumar

JUDGMENT

Abang Iskandar J:

[1] The plaintiffs in this case have sued the defendants for alleged infringements of three artistic works over which they had claimed copyright subsisted and that they were duly protected as these works had been published in Malaysia well before the date of the alleged

A infringements by the defendants. The alleged infringements had occurred when the defendants had published in their book (P5) entitled 'Pendidikan Islam Tahun 1' (in Jawi), the three artistic works (drawings) in the form of three animals, namely a snake (king cobra), a turtle and a lion without first getting any permission from the plaintiffs. The said B drawings of animals in the said book (P5) were to act as illustrations to describe the words that were being used to name the said animals.

[2] The defendants had, in their defence, countered that the plaintiffs had no copyright over those three drawings in that anybody could have drawn such drawings or pictures and that these drawings were similar C to other drawings anywhere. In other words, those drawings were not originals and therefore deserved no protection under the copyright law.

[3] The law on copyright protects works, expressed in material form by persons, which were products of their own substantial skill and D labour. An infringement of such work occurs when the infringing work is substantially the product of *animus furandi* where the infringer had spared himself labour and time but instead, had taken a free ride off the fruits of the copyright owner's ingenuity and effort. I think that the words of Justice Peterson in the case of *University of London Press Ltd v. University Tutorial Press Ltd* [1916] 2 Ch 601 quite clearly encapsulate E what the concept on the requirement of originality really means when he said at p. 620 as follows: " ... the word 'original' does not in this connection mean that the work must be the expression of original or inventive thought. Copyright Acts are not concerned with the originality of ideas, but with the expression of thought, and, in the case of 'literary F work', with the expression of thought in print or writing. The originality which is required relates to the expression of the thought. But the Act does not require that the expression must be original or novel in form, but that the work must not be copied from another work - that it should originate from the author". So, a drawing that is simply traced G from another is not an original artistic work, as was ruled by Megarry J in the case of *British Northrop Ltd v. Texteam (Blackburn) Ltd* [1974] RPC 57. With respect, I think that the legal position in Malaysia relating to the meaning of the word 'original' is similar to the one obtaining in England and as understood in the *University of London Press Ltd*'s case H (*supra*). In Malaysia, s. 6 of the Copyright Act 1987 clearly stipulates under s. 6 therein that 'subject to this Act, no copyright shall subsist otherwise than by virtue of this Act'. In the context of proving the existence of copyright under this Act of 1987, a claimant may resort to the provisions of s. 42 therein.

I **[4]** The plaintiffs had called two witnesses to prove their claim. They both had testified that they had expended effort and skill to produce the three said drawings. They had also used the computer to improve the

drawings. They said that they had looked at other pictures of the three animals but only for the purpose of getting imagination or inspiration. They both testified that the said three drawings were entirely products of their own labour, efforts and skills. They had produced the 'originals' of the three drawings. They disagreed that these three drawings could be easily drawn by anybody as suggested by the defendants' counsel. The defendants' witnesses' evidence had been that they did not know that the plaintiffs were copyright owners over the three drawings. It was contended on behalf of the defendants that insufficient efforts had been expended by the plaintiffs as they had used the computer. With respect, I could see no merit in that contention. A computer, properly utilised, is a powerful tool, if not much more, than a pen in the hands of a creative person in producing artistic works. Speed that is associated with producing an artistic work by using a computer ought not to be interpreted as diminishing the end product. To my mind, 'expended labour' ought not to be interpreted to mean that long hours must actually have been spent in order to produce the artistic work. Such phrase must relate more to quality, rather than quantity of time spent in producing the said work. So in this case, the fact that the plaintiffs had resorted to the use of computer ought not to negative the element of originality in the said three drawings. On the contrary, it had the effect of potentially enhancing further the said works, depending on the skill of its user. I had considered the evidence led before me and it is my finding that the plaintiffs had succeeded in establishing that the three drawings were their original artistic works and that copyright therefore subsisted over them.

[5] Looking at the evidence, it is clear that the defendants had scanned the three pictures and then, by their own admission, due to oversight had published those three drawings in their said book (P5). SD1, the editor of the defendants had said in his evidence in court when he was being XXD by counsel for the plaintiffs, thus:

P/B : Sebagai editor, kamu tahu tidak boleh buat cetak rompak?

SD1 : Ya, tapi saya diberitahu imbasan [scanning] dibuat untuk dijadikan contoh bagi peringkat proof. Di dalam kes ini, kita telah terlepas pandang dan terus cetak gambar-gambar yang diimbas dari buku Plaintiff sebagai ilustrasi dalam buku teks P5.

Later on in his evidence, SD1 also said that the impugned act of the defendants was unintentional. As such, there had been a total reproduction of the said three drawings whose copyright belonged to the plaintiffs, without their prior permission. Therefore, there had been infringements of the plaintiff's copyright over the three drawings by the defendants. Lord Pearce, one of the law lords hearing the appeal in the *Ladbroke(Football) Pte Ltd v. William Hill (Football) Pte Ltd* HL [1964]

A 1 WLR 273 at p. 291 said that the word "original" does not demand original or inventive thought, but only that the work should not be copied and that it should originate from the author. Indeed, as their Lordships were concerned in the appeal, it was so decided that even a compilation created by a person consisting of unoriginal works deserved B protection by copyright law if he can show that he had put sufficient effort in getting the compilation completed, and no one can steal the fruits of his labour or skill or expense, by copying it without taking the trouble of compiling it themselves. In that sense, the sum total of a compilation of unoriginal work/material may become original. More so C in this case, there had been evidence led by the plaintiffs that those three drawings were fruits of their considerable skill and labour. The defendants had only denied those efforts and with respect, that would not be sufficient to deny the plaintiffs of their rightful rewards in terms of legal protection over the said three drawings. To my mind, nothing that had been led by the defendants had derogated from the plaintiffs D such protection with regard to those drawings.

[6] Now, there is the issue of damages to be considered that should be paid by the defendants to the plaintiffs as a result of the infringements committed by them with respect to the said three E drawings. The plaintiffs had asked for RM250,000 and SP2 said that would include as well, damages for loss of business image prestige and goodwill of the plaintiff company as a respected illustrator in the market. There is evidence led in court that the plaintiffs had won national level awards in recognition of its works in this industry. Nevertheless, they had not led evidence to show how this figure was arrived at. They also F had asked for 'additional damages' under s. 37(2) Copyright Act 1987 ('the said Act') in the circumstances of this case. That relevant statutory provision in the said Act reads as follows:

> 37(2) Where in an action under this section, an infringement of G copyright is proved or admitted, and the court, having regard, in addition to all other material consideration to:
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> (a) The flagrancy of the infringement; and
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> (b) Any benefit shown to have accrued to the Defendant by reason of the infringement,
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> is satisfied that effective relief would not otherwise be available to the plaintiff, the court in assessing damages for the infringement, shall have power to award such **additional damages** by virtue of this subsection as the court may consider appropriate in the circumstances. (emphasis added)
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[7] I had considered the fact that the plaintiff had not been able to prove the damages as claimed. In this case, three drawings had been infringed by the defendants. Those three drawings had appeared in P5 and had occupied about 3% of the total number of pages in the said book. But that ought not to be the measure of the infringements for which damages ought to be measured. It is always about quality, not quantity as opined by Justice Gunn Chit Tuan J (as he then was) in *Longman Malaysia Sdn Bhd v. Pustaka Delta Pelajaran Sdn Bhd* [1986] 1 LNS 84; [1987] 2 MLJ 359. But having said that, it would be difficult to ascertain and thereby quantify the exact amount, even by way of inspection of account, as to how much of the profits made by the defendants on the sale of the book P5 that had contained the three infringing drawings, could be attributable to the said three infringing drawings. It was held by the Full Court of Appeal of the Federal Court in Australia, among others, in the case of *Aristocrat Technologies Australia Pty Ltd v. DAP Services (Kempsey) Pty Ltd* [2007] FCAFC 40, that while the court should do its best to quantify damages, it remains necessary for an applicant to adduce evidence to enable the court to make a proper estimate as to the amount of the appropriate damages. As such I would award nominal damages of RM100 for each of the infringement of the drawings by the defendants. As such, there will be RM300 in total to be paid by the defendants to the plaintiffs.

[8] However, that is not the end of the matter on damages. It is important to note, as I must, that in this case, the stated defence of the defendants had been among others, that the plaintiffs were not the owners of the copyright over the three pictures and that even if they were owners, the defendants had no reason to suspect that they were such owners and that this claim was filed in court out of time. But at trial, the evidence of SD1, SD2 and SD3 were focused primarily, if not wholly, towards establishing that the infringing acts were unintentional ('tidak disengajakan') and during the cross-examination of the plaintiff's witnesses, questions were put to them that the plaintiffs were not the owners of copyrights over the three drawings of the said animals. The defence did not lead any evidence to positively challenge the plaintiff's assertions given on oath by SP1 and SP2 that they were the rightful owners of such copyrights. The issue of 'oversight' or 'unintentional' on the part of the defendants when publishing the three drawings was not pleaded in the defence. As is trite, parties are bound by their pleadings and are not allowed to adduce facts, in relation to issues that are not pleaded. As such, if such evidence had been led, then they ought not to be considered by the court. The importance of pleadings was emphasised by the Supreme Court in *Lee Ah Chor v. Southern Bank Berhad* [1991] 1 CLJ 667; [1991] 1 CLJ (Rep) 239 at pp. 244 - 246 where the following excerpts are found, and I quote:

> It does not seem necessary for us to emphasize and repeat the importance of pleadings in a civil suit castigating observations on which had been made from time to time in many cases in our Courts. It is only a question of whether Counsels, either because of negligence, inadvertence or call it what you will, choose to pay them scant or not heed at all and we must say that do so at their peril. Recently lapses in the strict compliance with the rules of pleadings occurred in our Courts with marked frequency and we do not see how such lapses in the Courts should be tolerated at the expense of the clients.

Perhaps it would be sufficient and pertinent to repeat here in the hope that we have said and last words on this issue, what Raja Azlan Shah (FJ as he then was) said in *The Chartered Bank v. Yong Chan* [1974] 1 LNS 178; [1974] 1 MLJ 157 at p. 159 where he said:

> In my opinion the pleadings in the statement of claim are not in ideal form. If we are to maintain a high standard in our trial system, it is indubitably not to treat reliance upon forms of pleadings as pedantry or mere formalism.

[9] If anything needed re-emphasizing, it is that the rules on the need to plead issues apply with full force on both sides of the litigating divide.

[10] Coming back to the facts in this case, despite the fact that the plaintiffs having given notice to the defendants of the alleged infringements in Feb 2004, the infringing drawings were only replaced from P5 with graphic drawings in 2006 as admitted to by the editor of the defendants, SD1. The defendants are well established publishers in their own right and it would be rather difficult for this court to believe the evidence of SD2 that she had plucked the three infringing pictures from one of her child's books. The defendants were professional printers and publishers. Rather, it would stand to reason that there was quality in the three artistic works that had been 'scanned' by the defendants and that they were indeed appropriate drawings to aptly describe respective animals that they depicted. As a rule of the thumb, the *dictum* by Peterson J in *University of London Press Ltd v. University Tutorial Press Ltd* [1916] 2 Ch 601, case at p. 610, which has found favour with the law lords in the case of *Ladbroke* (*supra*) is worth reiterating here and that rule has been that 'a work worth copying is *prima facie* worth protecting'.

[11] So looking at the evidence led in the defence, it appears to me to be more of an afterthought regarding the oversight, because if such was true and genuine, why did the defendants not replace the infringing drawings on being notified by the plaintiffs' solicitors. Why did they wait until 2006 to do so? To my mind, the conduct of the defendants could

not, in all probability be equated with innocence on their part. I would think that it was quite the contrary. As alluded to earlier by me, the plaintiffs had also prayed in their statement of claim, additional damages under s. 37(2) of the Act. That relevant statutory provision in the said Act reads as follows:

> 37(2) Where in an action under this section, an infringement of copyright is proved or admitted, and the court, having regard, in addition to all other material consideration to:
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> (a) The flagrancy of the infringement; and
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> (b) Any benefit shown to have accrued to the Defendant by reason of the infringement,
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> is satisfied that effective relief would not otherwise be available to the plaintiff, the court in assessing damages for the infringement, shall have power to award such **additional damages** by virtue of this subsection as the court may consider appropriate in the circumstances. (emphasis added).

[12] No decided case on the interpretation of that statutory provision had been cited to me and for my part I had not been able to locate such a local case. Even at common law, exemplary damages will ordinarily be awarded against a defendant who has engaged in conscious wrongdoing in contumelious disregard of another's rights. (see the case of *Gray v. Motor Accident Commission* [1998] 196 CLR 1) What is patently clear is that the 'additional damages' sought by the plaintiffs are those grounded as they were in the statute book. Assistance in construing the nature of the discretion as envisaged under s. 37(2) of our Copyright Act 1987 may however, be had from reading the Australian case of *Sullivan v. FNH Investments Pty Ltd* [2003] 57 IPR 63, where Jacobsen J had said that the assessment of additional damages pursuant to s. 115(4) is at large and that the discretion of the court is not fettered in any arithmetic or mathematical way. It is also noted that the word 'flagrancy' as appears in s. 37(2) of our Copyright Act 1987, it is not defined therein or anywhere in the said Act. Again, a reference may indeed be made to the case of *Scientific International Pty Ltd v. SC Johnson & Sons Pty Ltd* [1998] 43 IPR 275 where it was said that 'flagrancy' involved calculated disregard of the plaintiff's rights, or a cynical pursuit of benefit. The earlier cited case of *Aristocrat* (*supra*) also had ruled that awards of further damages were intended to deter infringing conduct and that in that sense an element of penalty was therefore deemed acceptable. I would venture to add here that the court in the *Scientific International Pty Ltd* case (*supra*) had assigned to the word 'flagrancy' an open ended interpretation rather than a restrictive meaning. To my mind, its interpretation of the word is not inconsistent

with what the same word is intended to convey as employed under s. 37(2) of our Copyright Act 1987. Having taken that position, it is my considered view that the conduct of the defendants in this case before me had amounted to flagrancy and that they had benefited from their infringements of the plaintiffs' copyrights over the three drawings. The above considerations had convinced me to award the additional damages as provided for under s. 37(2) of the Copyright Act 1987 to the plaintiffs as prayed for by them. Under the circumstances of this case, I therefore also order the defendants to pay the plaintiffs additional damages under s. 37(2) of the said Act amounting to RM50,000 as they had been benefiting and flagrantly infringing the copyrights over the three drawings from the date of receipt of a letter from the plaintiff's solicitors until they finally removed the three drawings from P5 and replaced them with graphic drawings for the three animals only in 2006.

[13] I order that there shall be interest of 8% pa on both the awards from date of filing of this action till full payment thereof.

[14] As to costs, after hearing both parties on the matter, I order that the defendants pay the plaintiffs RM10,000 as costs.

[15] And lastly, as the infringements complained of in connection with the said three drawings had since ceased, I make no order of an injunctive nature against the defendants. Order accordingly.